



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Consideration of Implementation of Planning Fees

MEETING DATE: April 7, 1993

PREPARED BY: Assistant City Manager

RECOMMENDED ACTION: That the City Council adopt a resolution implementing the planning fees shown in Exhibit 2, effective July 1, 1993. Further, the City Council direct the City Attorney to prepare a master document which will contain all fees and charges of the City of Lodi and to prepare an amendment to the Zoning Ordinance which will make provision for administrative variances.

BACKGROUND: The attached Council communication, Exhibit 1, outlines the rationale for a cost recovery system. The first set of fees being presented to the City Council are those fees designed to recover costs in the Community Development Department.

These recommendations were taken before the Planning Commission which held a public hearing to solicit comments from the public. Members of the development community were in attendance and did comment on these fees.

After hearing from the public, the Planning Commission made the following recommendations:

- 1) The fees be implemented in two stages - the first being all fees under \$500 be implemented as recommended and those fees over \$500 be implemented in two steps.
- 2) The new fees become effective July 1, 1993.
- 3) The fees for Code enforcement for the second compliance inspection be \$100 and the third compliance inspection be \$300.
- 4) The City Attorney prepare an amendment to the Zoning restrictions providing for an administrative variance and that the fee for this activity be less than a normal zoning variance.
- 5) That the City Council consider charging actual costs when project review exceeds charges by two times.

APPROVED: _____

THOMAS A. PETERSON
City Manager




April 7, 1993

Page Two

As a matter of information to the City Council, we did conduct a survey of like fees charged by neighboring communities. Those fees are shown as Exhibit 3.

FUNDING: None.

Respectfully submitted,



Jerry L. Glenn
Assistant City Manager

JLG/vc

JGFEEES/TXTA.01V

To: Honorable Mayor and Members of the City Council
From: Assistant City Manager
Subj: Cost Recovery Program
Date: March 3, 1993

RECOMMENDATION: It is recommended the City Council adopt as general policy its intent to recover the costs of service from individuals and/or groups served to the extent that individual members of the public are benefiting from specific City facilities or personnel in a way different from that enjoyed by all citizens. The first step in this process would be to schedule a public hearing on the topic. The suggested date is April 7, 1993.

BACKGROUND: The underlying assumption in this recommendation is that for services benefiting an individual that individual should pay for the cost of the service. The intent of this proposal is not to make a profit but to recapture all of the costs or a reasonable percentage of the total cost of providing special services.

This approach is certainly fair and equitable in that the person that has the greatest benefit is the person that pays and does not look to their cross-town neighbor to pay the cost. It does not seem equitable for the tax dollars of Mrs. Dobler, an aged widow living on Social Security in a one bedroom rental, be used to pay for a lot line adjustment so a person can expand their residential lot to add additional footage, or to pay the costs of extracting a drunk driver from his damaged automobile, or the costs abating abandoned vehicles. All of these costs should be borne by the direct beneficiary of the service.

There are circumstances in which it is reasonable policy to set fees at more or less than the cost of providing the service. There are a number of factors which must be considered in setting fees.

1. **SUBSIDY AND BENEFIT:** The decision to subsidize a service from general tax revenues begins with real and/or perceived benefits. Subsidies arise when the price charged to service users is less than the cost of providing the service. The approach to cost recovery and subsidy levels begins with assessing private versus public benefit. The graph below display this approach to setting fees. When the benefit is community-wide, shown on the bottom axis at the left edge, then the corresponding share of support (tax dollars), shown on the left axis, is high. As services benefit individuals more directly, the portion of costs covered by fees increases.

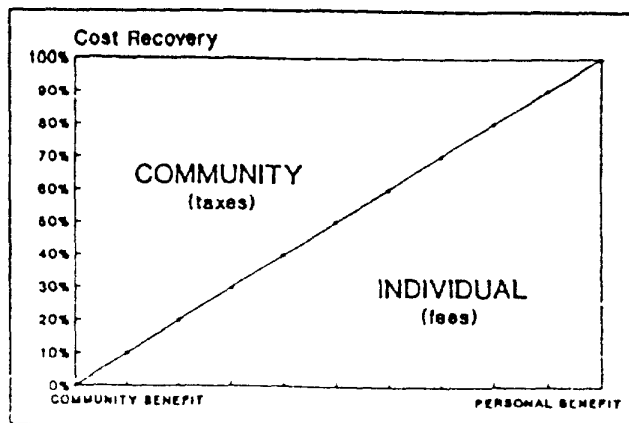
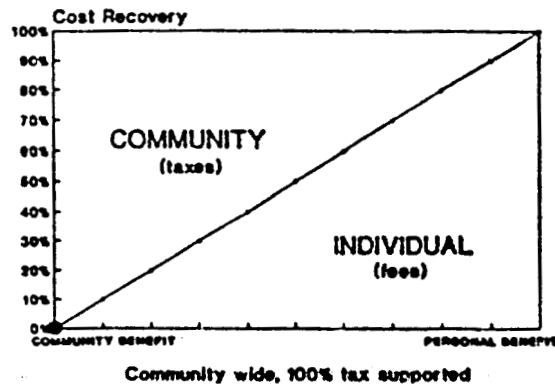


EXHIBIT 1

For example: Police Patrol services performed by patrol officers benefit the community as a whole through crime deterrence.

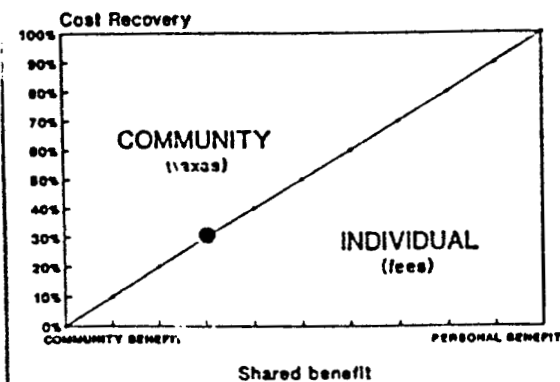
Accordingly, costs of service are 100% supported by taxes.

PUBLIC SAFETY, PATROL



Youth programs benefit participating young people and their families directly. Most communities feel that offering children a safe educational outlet for their energies also benefits the community as a whole and accordingly the youth sports are supported partially by participant fees and partially by general tax revenue.

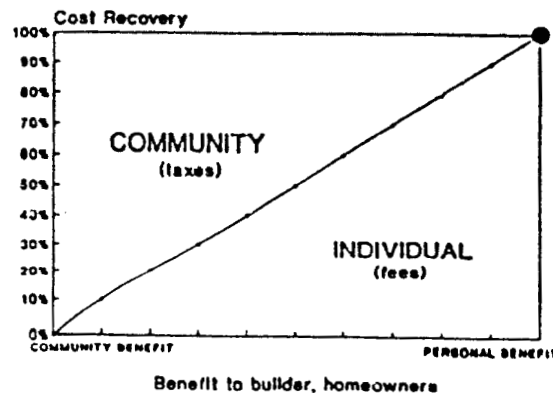
YOUTH ATHLETICS



By the same token a lot line adjustment or an annexation is a direct benefit to a specific property owner and the general public should not be required to subsidize the processing of that activity in any way.

Accordingly, the entire costs is paid by the requestor of the service.

SUBDIVISION APPLICATIONS



2.ECONOMIC INCENTIVES: In some cases it may be desirable to use fees as a means of encouraging or discouraging certain activities. For instance an inverse rate structure for water rates may be used to encourage conservation or fees for senior citizen and recreation services may be subsidized heavily to encourage participation.

3.ELASTICITY OF DEMAND: The price charged for a service can affect the quantity demanded by potential users. In some instances raising the price of a service results in fewer units of the service being purchased. Whether total revenue goes up, down, or stays the same results from the magnitude of the fee increase and potential volume decrease or vice versa. An example may be the price charged for parking permits. If the cost for a permit is doubled the number of people buying the permit may go down to the extent that fewer total dollars are received.

4.COMPETITIVE RESTRAINTS: Although a city may have a monopoly on providing certain services within its boundaries, citizens and industries may choose to relocate to other communities with lower fees. There may also be alternatives within the private sector i.e. recreation facilities, campgrounds, etc.

Once the true cost of services is known then council can consider economic as well as political factors when deciding how high to set its user fees.

The City has contracted with David M. Griffith to conduct a study to assist city staff in determining the cost of providing services. In their study they used what could be considered a building block approach to the costs. They determined not only the amount of time and resources to actually perform the units of work, but also the direct department overhead and the citywide overhead to accomplish the tasks. In some cases this may be appropriate and in some cases it may not be appropriate or for practical situations it may be discounted. At any rate they prepared for the City their determinations of what these costs are. It should be strongly emphasized that they dealt only with figures that staff gave to them.

Council is requested to adopt a Master Cost Recovery Resolution that lists all fees for services. The intent is to place all fees in the same place for ease of research and understanding. This resolution should have a provision that will raise these fees on an annual basis. Every five years the basis of the fees and any changes in methodology of providing services or increases or reductions of overhead should be reviewed.

It is staffs hope that the initial discussion will center on the philosophy and practicality of adopting a set of fees that will cover costs of providing service. Again this approach is certainly fair and equitable in that the person that has the greatest benefit is the person that pays.

COMMUNITY DEVELOPMENT

It is fully understood that it is not practical to expect such a dramatic step forward to be accepted in the blind; therefore I am including in this memorandum recommendations to establish Community Development Fees and an explanation of the rationale for staffs recommendation. This report has been reviewed by the Community

Development Director and forwarded to the Planning Commission per Council's direction. The Planning Commission's recommendations are attached.

The Community Development Department is charged with three distinct functions which provide service to the citizens of the City of Lodi; planning, building inspection and code enforcement. In the area of planning there are activities which are beneficial to the community at large and should therefore be paid for by the community at large. These activities center around the area of long range and current planning and zoning issues.

PLANNING

Advance planning is primarily responsible for long-range planning which provides the City the opportunity to control its future character. Long range planning activities are community based and impact all local residents. Preparing and maintaining the City's general plan serves to protect and enhance the community; therefore, it is appropriate that the cost of these services not come from fees, but from general tax revenues. Likewise activities promoting economic development benefits all local residents and should be general fund supported.

Current planning has the primary responsibility of reviewing development projects to ensure conformity with all City plans and ordinances. It is here that specific benefactors of city services can be identified and appropriate fees established.

Listed below are activities which have been identified as having an identifiable person(s) placing the demand for services on the City's Staff. Also included is the number of such requests the City had in 1990-91 fiscal year, the present fee, the full cost of providing the service and staffs recommended fee.

Activity	Number	Present Fee	Full Cost	Staff Recommend
Annexation	6	\$100	\$1,984	\$2,000
Dev. Plan Review	10	0	\$1,634	\$1,650
General Plan Amend	6	\$100	\$1,090	\$ 500
Rezone	11	\$100	\$ 608	\$ 600
Lot Line Adjust.	22	0	\$ 171	\$ 175
Parcel Map	23	0	\$ 290	\$ 300
Tentative Map	13	\$100	\$ 536	\$ 500
Prelim.Env. Asses.	75	\$ 0	\$ 46	\$ 50
Negative Dec.	20	\$ 50	\$ 611	\$ 600
EIR	3	0	\$2,242	\$2,200
Mitigation Monitor	15	0	\$ 581	\$ 0
SPARC	19	0	\$ 875	\$ 875
Landscape Review	20	0	\$ 188	\$ 175
Use Permit	15	\$50	\$ 503	\$ 500
Variance	20	\$25	\$ 347	\$ 350
Home Occupation	294	\$ 0	\$ 23	\$ 25
Zoning Plan Check	700	0	\$ 17	\$ 15

The services associated with these recommended fees are generally for the benefit of an individual or are associated with changes to the status of individual parcels of land. We are only recommending recovering one-half the cost of General Plan amendments as the City has a responsibility for maintaining and updating the General Plan. However, the proposed fee covers the cost of reviewing changes requested by individuals. It should also be noted that we are proposing no fee for monitoring mitigation factors associated with land development. Mitigation measures are items that are for the benefit of the entire community even though caused by the actions of an individual. It is in the best interests of the entire community to see that these actions are carried out. Further, so that no one could claim that unnecessary mitigations actions were required for the purpose of raising revenue we are not recommending additional fees.

BUILDING INSPECTION

The Building Inspection Division is responsible for plan checking and inspection services for new and existing remodeled construction. It has not been the City's intent to subsidize building regulation activities nor to raise fees to discourage growth and development. It has been the practice to charge the fees recommended in the Uniform Building Code. That practice has served the City well in the past and we therefore are making no recommendations to change that practice.

CODE ENFORCEMENT

The Community Development Department is charged with enforcing and abating certain housing code violations, abatement of abandoned vehicles, and enforcement of the zoning ordinances. Presently no fees are charged for these specialized services; however, a strong point can be made that the general community should not subsidize property owners or renters who do not comply with minimum community standards; i.e. the housing code. The approach to fees should be that the fees established assure compliance with these regulations. A carrot/stick approach might best achieve these objectives: This can be accomplished by setting no fee for the initial contact, investigation and notification of violation. However, if compliance is not achieved then the fee or assessment should be punitive in nature.

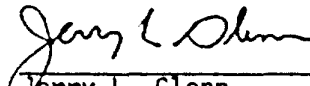
The following chart will illustrate this concept:

<u>Activity</u>	<u>Cost</u>	<u>Recommended Fee</u>
Complaint Received	\$12	\$ 0
1st Field Inspection	\$48	\$ 0
Admin.Processing	\$19	\$ 0
Compliance Inspection	\$50	\$ 0
2nd Compliance Inspection	\$50	\$ 50
3rd Compliance Inspection	\$50	\$200
Close File	\$24	\$ 0

By the same token the same approach should be taken with abatement of vehicles. However at the 2nd compliance inspection the City will order the vehicle towed.

<u>Activity</u>	<u>Cost</u>	<u>Recommended Fee</u>
Complaint Received	\$24	\$ 0
Field Inspection	\$17	\$ 0
Compliance Inspection	\$35	\$ 0
Request Tow	\$24	\$100
Close File	\$12	\$ 0

By adopting these fees the City Council will take steps to relieve the General Fund from subsidizing activities which are generated by and for the benefit of specific individuals or groups. Based on the numbers of requests for services processed in 1990-91 these fees will generate approximately \$125,000 a year in additional revenue.



Jerry L. Glenn
Assistant City Manager

PROPOSED PLANNING FEES

ACTIVITY	NUMBER	PRESENT FEE	FULL COST	7/1/93	7/1/94
ANNEXATION	6	\$100	\$1,984	\$1,050	\$2,000
DEV. PLAN REVIEW	10	\$0	\$1,634	\$825	\$1,650
GENERAL PLAN AMENDMENT	6	\$100	\$1,090	\$500	\$500
REZONE	11	\$100	\$608	\$600	\$600
LOT LINE ADJUSTMENT	22	\$0	\$171	\$175	\$175
PARCEL MAP	23	\$0	\$290	\$300	\$300
TENTATIVE MAP	13	\$100	\$536	\$500	\$500
PRELIM. ENVIR. ASSESSMENT	75	\$0	\$46	\$50	\$50
NEGATIVE DEC.	20	\$50	\$611	\$600	\$600
EIR	3	\$0	\$2,242	\$1,100	\$2,200
MITIGATION MONITOR	45	\$0	\$581	\$0	\$0
SPARC	19	\$0	\$875	\$500	\$875
LANDSCAPTE REVIEW	20	\$0	\$188	\$175	\$175
USE PERMIT	15	\$50	\$503	\$500	\$500
VARIANCE	20	\$25	\$347	\$350	\$350
HOME OCCUPATION	294	\$0	\$23	\$25	\$25
ZONING PLAN CHECK	700	\$0	\$17	\$15	\$15
CODE COMPLAINT RECEIVED		\$0	\$12	\$0	\$0
FIRST FIELD INSPECTION		\$0	\$48	\$0	\$0
ADMINISTRATIVE PROCESSING		\$0	\$19	\$0	\$0
COMPLIANCE INSPECTION		\$0	\$50	\$0	\$0
2nd COMPLIANCE INSPECTION		\$0	\$50	\$100	\$100
3rd COMPLIANCE INSPECTION		\$0	\$24	\$300	\$300

FEE COMPARISON

ACTIVITY	Stockton	Tracy	Manteca	County	Galt	Lodi
ANNEXATION	\$1,900	\$2,000 \$2,400	\$4,000	N.A.	\$4,232	\$2,000
DEV. PLAN REVIEW		\$125 \$1,100	\$400 \$950			\$1,650
GENERAL PLAN AMENDMENT	\$3,500	\$2,000	\$1,500	\$3,450 \$4,210	\$4,060	\$500
REZONE	\$2,250	\$1,100 \$2,000	\$1,000	\$1,995 \$2,850	\$2,952	\$600
LOT LINE ADJUSTMENT		\$300	\$200	\$460	\$1,390	\$175
PARCEL MAP	\$1,600	\$1,000	\$750	\$1,135 \$1,355	\$2,300	\$300
TENTATIVE MAP	\$3,200	\$1,400	\$2,000	\$4,240 \$5,245	\$3,500	\$500
PRELIM. ENVIR. ASSESSMENT	\$380	\$250	\$175	\$2,375	\$810 \$2,270	\$50
NEGATIVE DEC.	\$380 \$4,200		\$200	\$2,375	\$170	\$600
EIR	\$12,300	\$2,000	\$800	\$2,375	\$6,328	\$2,200
DESIGN REVIEW		\$500	\$450 \$950	\$130 \$535	\$20 \$260	\$875
MITIGATION MONITOR	\$475 \$1,150		\$100 PER LOT		\$490	\$0
USE PERMIT	650 \$1,950	\$250 \$1,100	\$450 \$900	\$1,970 \$5,245	\$1,660	\$500
VARIANCE	\$1,800	\$500	\$500	\$1,910	\$1,345	\$350
HOME OCCUPATION	\$50		\$75	\$55	\$13	\$25
ZONING PLAN CHECK	\$50					\$15

RESOLUTION NO. 93-46

A RESOLUTION CITY COUNCIL OF THE CITY OF LODI
IMPLEMENTING AND ESTABLISHING CERTAIN PLANNING AND DEVELOPMENT FEES
WITHIN THE CITY OF LODI

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LODI AS FOLLOWS:

SECTION 1. WHEREAS, the City Council of the City of Lodi wishes to recover those costs associated with providing specific services to individuals or firms requesting such services of the Community Development Department which are for the benefit of such individual or firm, as opposed to a benefit serving the community as a whole; and

WHEREAS, pursuant to Chapter 16 of the Lodi Municipal Code, the City Council from time to time may set such fees for certain development services by resolution;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lodi does hereby implement the following fee schedule, to become effective July 1, 1993:

PLANNING FEES

ACTIVITY	Effective 7/1/93	Effective 7/1/94
ANNEXATION	\$1,050	\$2,000
DEV. PLAN REVIEW	\$825	\$1,650
GENERAL PLAN AMENDMENT	\$500	\$500
REZONE	\$600	\$600
LOT LINE ADJUSTMENT	\$175	\$175
PARCEL MAP	\$300	\$300
TENTATIVE MAP	\$500	\$500
PRELIM. ENVIR. ASSESSMENT	\$50	\$50
NEGATIVE DEC.	\$600	\$600
EIR	\$1,100	\$2,200
MITIGATION MONITOR	\$0	\$0
SPARC	\$500	\$875
LANDSCAPE REVIEW	\$175	\$175
USE PERMIT	\$500	\$500
VARIANCE	\$350	\$350
HOME OCCUPATION	\$25	\$25
ZONING PLAN CHECK	\$15	\$15
CODE COMPLAINT RECEIVED	\$0	\$0
FIRST FIELD INSPECTION	\$0	\$0
ADMINISTRATIVE PROCESSING	\$0	\$0
COMPLIANCE INSPECTION	\$0	\$0
2nd COMPLIANCE INSPECTION	\$100	\$100
3rd COMPLIANCE INSPECTION	\$300	\$300

SECTION 2. The City Council by reference hereby adopts those portions of the study by David M. Griffith and Associates dated August 29, 1991 showing and establishing the basis for setting such cost of services.

SECTION 3. Prior to the public meeting held on this matter on April 7, 1993, the City provided at least 14 days prior to such meeting written notice to all interested parties who had on file a written request for such mailed notice, pursuant to Government Code Section 66016. Such hearing was held on April 7, 1993 in compliance with Government Code Section 66018 and notice thereof was published in accordance with Government Code Section 6062a.

SECTION 4. All resolutions or parts or parts of resolutions in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. This Resolution shall be published one time in the Lodi News Sentinel, a daily newspaper of general circulation printed and published in the City of Lodi and shall be in force and take July 1, 1993.

Dated: April 7, 1993

=====

I hereby certify that Resolution No. 93-46 was passed and adopted by the Lodi City Council in a regular meeting held April 7, 1993 by the following vote:

Ayes: Council Members -
Noes: Council Members -
Absent: Council Members -

Jennifer Perrin
City Clerk

DECLARATION OF MAILING

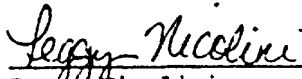
On March 10, 1993 in the City of Lodi, San Joaquin County, California, I deposited in the United States mail, envelopes with first-class postage prepaid thereon, containing a copy of the Notice attached hereto, marked Exhibit "A"; said envelopes were addressed as is more particularly shown on Exhibit "B" attached hereto.

There is a regular daily communication by mail between the City of Lodi, California, and the places to which said envelopes were addressed.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 10, 1993, at Lodi, California.

Jennifer M. Perrin
City Clerk



Peggy Nicolini
Deputy City Clerk



CITY OF LODI

CARNEGIE FORUM
305 West Pine Street, Lodi

NOTICE OF PUBLIC HEARING

Date: April 7, 1993

Time: 7:30 p.m.

For information regarding this Public Hearing
Please Contact:

Jennifer M. Perrin
City Clerk
Telephone: 333-6702

EXHIBIT A

NOTICE OF PUBLIC HEARING

April 7, 1993


NOTICE IS HEREBY GIVEN that on Wednesday, at the hour of 7:30 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing to consider the following matter:

- a) Implementation of a planning fee schedule

All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.


If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the Public Hearing.

By Order Of the Lodi City Council:


Jennifer M. Perrin
City Clerk

Dated: March 3, 1993

Approved as to form:


Bobby W. McNatt
City Attorney

IMPLEMENTATION OF PLANNING FEES

MAILING LIST

E X H I B I T " B "

Executive Director
Business Industry Association of the Delta
777 North Pershing Street
Stockton, California 95203

Baumbach & Piazza, Inc.
Consulting Engineers
323 West Elm Street
Lodi, California 95240

Bennett & Compton
777 South Ham Lane
Lodi, California 95242

Russ Munson
c/o Verner Construction
2707 E. Fremont Street
Stockton, California 95205

Ben Schaffer
c/o Schaffer, Suess & Boyd
122 North Church Street
Lodi, California 95240

Jeff Kirst
KCF Real Estate
P. O. Box 1257
Woodbridge, CA 95258

Dillion & Murphy
Consulting Engineers
1820 W. Kettleman Lane
Lodi, California 95242

R. Thomas Development, Inc.
1209 West Tokay Street
Lodi, California 95240

Keszler-Baker
c/o A. Fred Baker
317 W. Lodi Avenue
Lodi, California 95240

Ted Katzakian Company, Inc.
777 South Ham lane
Lodi, California 95242

RESOLUTION NO. 93-41

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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI
IMPLEMENTING AND ESTABLISHING CERTAIN PLANNING AND DEVELOPMENT FEES
WITHIN THE CITY OF LODI

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REZONE	\$600	\$600
LOT LINE ADJUSTMENT	\$175	\$175
PARCEL MAP	\$300	\$300
TENTATIVE MAP	\$500	\$500
PRELIM. ENVIR. ASSESSMENT	\$50	\$50
NEGATIVE DEC.	\$600	\$600
EIR	\$1,100	\$2,200
MITIGATION MONITOR	\$0	\$0
SPARC	\$500	\$875
LANDSCAPE REVIEW	\$175	\$175
USE PERMIT	\$500	\$500
VARIANCE	\$350	\$350
HOME OCCUPATION	\$25	\$25
ZONING PLAN CHECK	\$15	\$15
CODE COMPLAINT RECEIVED	\$0	\$0
FIRST FIELD INSPECTION	\$0	\$0
ADMINISTRATIVE PROCESSING	\$0	\$0
COMPLIANCE INSPECTION	\$0	\$0
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SECTION 2. The City Council by reference hereby adopts those portions of the study by David M. Griffith and Associates dated August 29, 1991 showing and establishing the basis for setting such cost of services.

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Dated: April 7, 1993

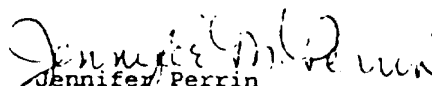
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I hereby certify that Resolution No. 93-46 was passed and adopted by the Lodi City Council in a regular meeting held April 7, 1993 by the following vote:

Ayes: Council Members - Mann, Sieglock, Snider, and Pennino
(Mayor)

Noes: Council Members - Davenport

Absent: Council Members - None


Jennifer Perrin
City Clerk